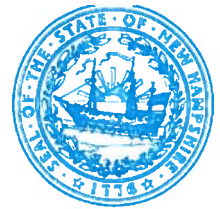




The State of New Hampshire
Department of Environmental Services



Clark B. Freise, Assistant Commissioner

February 8, 2017

The Honorable Richard Barry
Chair, House Science, Technology, and Energy Committee
Legislative Office Building, Room 304
Concord, New Hampshire 03301

Re: HB401, An Act relative to the implementation of the recommendations of grid modernization

Dear Chair Barry and Members of the Committee:

Thank you for the opportunity to comment on HB401, relative to the implementation of recommendations for grid modernization. The New Hampshire Department of Environmental Services (NHDES) takes no position on this bill, but stands ready to support further grid modernization efforts in New Hampshire.

This bill would support the process begun under HB614 (2015) that directed the NH Public Utilities Commission (PUC) to open a docket, IR 15-296, to investigate grid modernization in New Hampshire. That investigatory proceeding is nearing completion and benefited from engagement from utilities and other stakeholders (including NHDES), who provided input as to how utilities should conduct grid modernization planning. NHDES understands the sponsor will offer additional language that would build on this process by requiring that the remaining grid modernization priorities, components, parameters, and other features be worked out as part of an adjudicatory PUC proceeding.

As has been noted by the PUC, grid modernization is anticipated to enable electric utilities to take advantage of emerging, cost-effective technology developments (*e.g.*, renewable and distributed generation, storage technologies, electric vehicles), provide new service offerings, and help customers to manage their electricity consumption. In doing so, grid modernization policies, technologies, and practices are expected to support safe, reliable electricity services while reducing generation, transmission, and distribution costs.

The changes in energy consumption enabled by grid modernization efforts are also expected to have a direct, positive impact on public health, the quality of our natural environment, and the economic vitality of the state by reducing fossil fuel consumption. Reducing fossil fuel energy demand leads to lower emissions of smog-forming compounds and particle pollution that impact health, mercury emissions that poison our lakes and streams, and greenhouse gas emissions that contribute to climate change. As New Hampshire imports nearly 90 percent of its primary energy (including natural gas, coal, oil and nuclear fuel prior to their use for electric

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29 Hazen Drive • PO Box 95 • Concord, NH 03302-0095
(603) 271-3503 • TDD Access: Relay NH 1-800-735-2964

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generation, as well as fuel for thermal applications and transportation) from out of state and the majority of that energy is fossil fuel-based, a reduction in fossil fuel energy consumption would also reduce the dollars exported and retain them in the state's economy.

Thank you again for the opportunity to comment on HB401. If you have any questions or require further information, please contact either Craig Wright, Director of the Air Resources Division (craig.wright@des.nh.gov, 271-1088) or Rebecca Ohler, Administrator of the Technical Services Bureau (271-6749, rebecca.ohler@des.nh.gov).

Sincerely,



Clark B. Freise
Assistant Commissioner

cc: Sponsor of HB401: Representative Danielson